GAMEPLAN

FOR THE NEW ENVIRONMENT

PARTNERS

Partnership in Maximizing Category Profit

RJ Reynolds Tobacco Company

51846 0436

Source: https://www.industrydocuments.ucsf.edu/docs/lrly0000

THE CURRENT SCORE

As you know, the rules are changing for your #1 category. Proposed new regulations, combined with fiereer competition, pose major challenges to performance of your cigarette category and to a significant extent, the profitability of your entire store.

- Local, state and potential federal regulations are redefining how cigarettes are sold at retail. Restricted access is a central part of the change.

- Major cigarette volume shifts continue to occur throughout retail. At RJR, we believe the business will go to the retailer that best focuses on the needs of the consumer – regardless of trade class!

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THE KEYS TO WINNING

To profit in the future, you must be committed long-term to the category – whether it's staying abreast of legislative changes or developing and testing new merchandising concepts. But most important, you must accommodate the needs of your customers.

Because no matter what the rules and trends are today, the future belongs to the retailers who understand one simple, powerful fact: If their cigarette customers aren't Number One, then the cigarette category won't be, either. The key is in the fundamentals, which we call the 3Ps:

- **Industry PRODUCT AVAILABILITY creates a broad selection and inventory of Full Price and Savings brands for maximum customer satisfaction.**
- **Strong Industry PRESENCE means displaying the full range of category styles and price tiers to show your customers that you're serious about your cigarette business.**
- **Range of Industry PROMOTIONS builds maximum interest and keeps your customers coming back for a wide variety of manufacturer promotional offers.**

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WHAT'S AT STAKE

Now more than ever, how you merchandise and promote your cigarette category to your customers will make the crucial difference in determining:

- If your cigarette category continues its leadership performance;
- If your competitors ultimately do a better job of merchandising and promoting the category to smokers;
- If you keep your cigarette customers, or lose them (along with their purchases of non-tobacco items) to your competitors.

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